

UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

IN RE: MICHAEL S. SPANGLER
LISA M. SPANGLER

CASE NO. 1-17-00450

Debtor(s)

CHAPTER 13

MICHAEL S. SPANGLER
AND
LISA M. SPANGLER

Movants

Vs.

PEOPLESBANK, A CODORUS VALLEY
COMPANY

Respondent

STIPULATION IN SUPPORT OF MORTGAGE MODIFICATION BETWEEN DEBTORS AND PEOPLESBANK, A
CODORUS VALLEY COMPANY AS PROVIDED FOR IN DEBTOR'S FIFTH AMENDED CHAPTER 13 PLAN

1. On July 16, 2018 Debtors filed their 5th Amended Chapter 13 Plan.
2. PeoplesBank, A Codorus Valley Company (hereafter PeoplesBank) holds a second mortgage, partially secured and partially unsecured, on Debtor's residence located at 1367 Highland Avenue Road, Gettysburg, PA.
3. Debtors and Respondent, PeoplesBank, agreed to the terms of a Modification of Debtors Mortgage as set forth in the proposed Plan currently filed under Paragraph 9 of the Plan, which is duplicated herein below in this Stipulation.

9. NONSTANDARD PLAN PROVISIONS

Include the additional provisions below or on an attachment. Any nonstandard provisions placed elsewhere in the plan is void. (NOTE: The plan and any attachment must be filed as one document, not as a plan and exhibit).

Paragraphs/Sections 2B (Mortgages/Direct Payments by Debtors) and 2E (Modification of Secured Claims) are amended as to the second mortgage of PeoplesBank, A Codorus Valley Company ("PeoplesBank") to provide that the modified value of the collateral of \$225,000.00 as set forth in Paragraph 2E shall be binding and effective only on condition that Debtors continue to pay PeoplesBank all direct monthly loan payments starting June 15, 2018, of \$1,010.00 per month, continuing until the re-amortized balance is paid in full following completion of the plan. Despite the total plan payment referenced as 0 in Paragraph 2E, the Debtors shall pay the modified principal balance of \$225,000.00 in monthly installment payments of \$1,010.00 to PeoplesBank payable on the 15th day of each month with an interest rate of 3.5% until the re-amortized balance is paid in full following completion of the plan.

In the event Debtors default on the direct payments of \$1,010.00 to PeoplesBank either during the continuation of the plan or following completion of the plan, PeoplesBank shall have an in rem claim (and full mortgage foreclosure rights and remedies) against the Debtors' residence at 1367 Highland Avenue Road, Gettysburg, PA ("Highland Property") for the full original second mortgage lien in the amount of \$410,868.00 as set forth in the Proof of Claim filed by PeoplesBank (as Claim No. 22 in the claims register) plus interest, fees and expenses and the modified balance of \$225,000.00 shall no longer be binding.

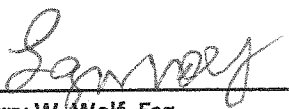
Should the Debtors fail to maintain timely monthly direct payments to PeoplesBank in the amount of \$1,010.00 per month starting June 15, 2018 and continuing on the 15th of each month through the duration of the plan and following completion of the plan until the modified principal of \$ 225,000.00 is paid in full by the Debtors, PeoplesBank shall automatically be entitled to relief from the stay as to the Highland Property and, if necessary, be entitled to request relief from the stay from the Court as to the Highland Property and to pursue mortgage foreclosure of the Highland Property.

For the purposes of clarity, and notwithstanding Paragraph/Section 2E of the plan, PeoplesBank's second mortgage lien against the Highland Property shall continue to be effective, with PeoplesBank's mortgage lien retained, against the Highland Property for the duration of the plan and following completion of the plan and after any personal discharge of the Debtors (i.e. even outside of bankruptcy after plan completion and after any personal discharge granted to the Debtors).


In addition, the Debtor's obligation to pay PeoplesBank arrears in the amount of \$ 25,000.00, through the trustee, shall be separate and in addition to the \$ 1,010.00 monthly payment obligation to PeoplesBank. PeoplesBank reserves all rights and remedies under its loan documents and applicable law against the Highland Property.

WHEREFORE, the Debtors respectfully request that this Honorable Court enter an order confirming the Debtors' Fifth Amended Plan modifying Debtor's Second Mortgage.

8/20/18
Date


Larry W. Wolf, Esq.
Attorney for Debtor

8/20/18
Date


Shaan S. Chima, Esq.
Attorney for PeoplesBank, A
Codus Valley Company